

VZCZCXR08620
RR RUEHHM
DE RUEHHI #1451 2251734
ZNR UUUUU ZZH
R 131734Z AUG 07
FM AMEMBASSY HANOI
TO RUEHC/SECSTATE WASHDC 6089
INFO RUEHHM/AMCONSUL HO CHI MINH 3526

UNCLAS HANOI 001451

SIPDIS

SENSITIVE
SIPDIS

DEPT FOR EAP/MLS AND EEB/EPPD NSMITH-NISSLER
USDOC FOR 4431/MAC/AP/OPB/VLC/HPPHO

E.O. 12958: N/A

TAGS: [AMGT](#) [BEXP](#) [ECON](#) [ELAB](#) [ETRD](#) [KSEP](#) [SENV](#)
SUBJECT: DUE DILIGENCE: MICROSOFT 2007 AWARD FOR CORPORATE EXCELLENCE

REF: STATE 109403

¶1. (SBU) Could there possibly be any downside or embarrassment caused by the selection of your post's nominee?

Embassy Vietnam is not aware of any information that might prove embarrassing to Post, to the U.S. Department of State, or to the USG with regard to the nomination of Microsoft for this award.

¶2. (SBU) Do you have any information concerning job creation in the United States resulting from the operations of the company you nominated?

Microsoft had 20,561 employees in 1996. In 2007, the company employs over 76,000 employees worldwide with 46,700 employees in the United States. Microsoft is a leading software developer whose bread and butter is its intellectual property. By expanding its activities in Vietnam, it is promoting the export of U.S.-origin product, which creates jobs, directly and indirectly, in the United States. Just recently, Microsoft concluded an agreement with the Government of Vietnam (GVN) under which government offices will buy legitimate software from Microsoft for hundreds of thousands of computers. While this means a direct increase in sales for the company, Microsoft's success has wider implications for all U.S. IPR interests because it shows the GVN can improve the situation for IPR when there is political will.

¶3. (SBU) What is your assessment of the company's trade and investment activities with regard to helping stimulate economic growth in the U.S. and increasing American exports (what is the U.S. content of its products)?

In 2006, Microsoft earned \$12.6 billion on global revenues of \$44.28 billion. Microsoft is the world's leading software developer with products such as Microsoft Office, Windows XP, and Windows Vista. Founded in 1975, Microsoft has played a major role in establishing the global dominance of the U.S. software and information technology sectors.

¶4. (SBU) What is the state of labor conditions in the company's facilities and are workers unionized?

Labor conditions are generally excellent for Microsoft Asia Pacific employees. Microsoft Vietnam employees are nonunion. The company has low employee turnover, pays high wages (typically \$1000-\$1500 per month for a mid-level manager), and has employee benefits that include health insurance, education reimbursement, and work/life balance considerations.

¶5. (SBU) Are you aware of any litigation pending in local courts involving the company?

Post is not aware of any Microsoft-related litigation pending in local courts.

¶6. (SBU) Please confirm that the Chief of Mission and others involved in the nominating process do not hold shares of stock or have other financial interests in the company.

Neither the Chief of Mission nor others involved in the nominating process hold shares of Microsoft stock or have other financial interests in the company.

MARINE